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## **SCHWEITZER COURTS ALBERTA FIRMS UNHAPPY WITH ROYALTIES**

*By The Associated Press*

CALGARY - Gov. Brian Schweitzer is suggesting Alberta energy companies unhappy with increased royalties may want to take a closer look south of the border.

Schweitzer says his state already offers a better tax structure - even before the extra \$1.4 billion annually the Alberta government plans to take in royalties by 2010.

Schweitzer says Montana and Alberta already have a great partnership - especially when it comes to the energy sector - and there's no reason that can't continue.

"If some of you considered that with this new additional tax you may move some of your dollars someplace else, come on to Montana," Schweitzer said Tuesday in a speech to the Calgary Chamber of Commerce. "You'll be welcome."

The soaring Canadian dollar only makes for an even more attractive investment climate on his side of the 49th parallel, he said.

"It gives a great opportunity for that strong loonie to be able to buy inexpensive real estate, goods and services and, in particular, if you're in the energy business, you now bring a loonie that was 62 cents that's worth now \$1.04.

"That buys a lot of investment in a place like Montana. Welcome! Come on down!"

He also suggested that new refineries will have to be built if Canada is going to increase energy production, and pointed to his own state as a possible location. He explained that 75 percent of the oil that's refined in his state's four refineries already comes from Alberta.

"So we have a partnership that's long-standing, and this partnership will continue for at least the next 50 years, as long as this country has a nearly insatiable demand for energy."

Alberta Premier Ed Stelmach announced last week that the province will increase energy royalties starting in 2009. He also wants more refining done in the province and, to that end, plans to allow companies to pay some of their royalties in bitumen, which the government would sell to refiners in the province.